



Castor Weekly Research Report

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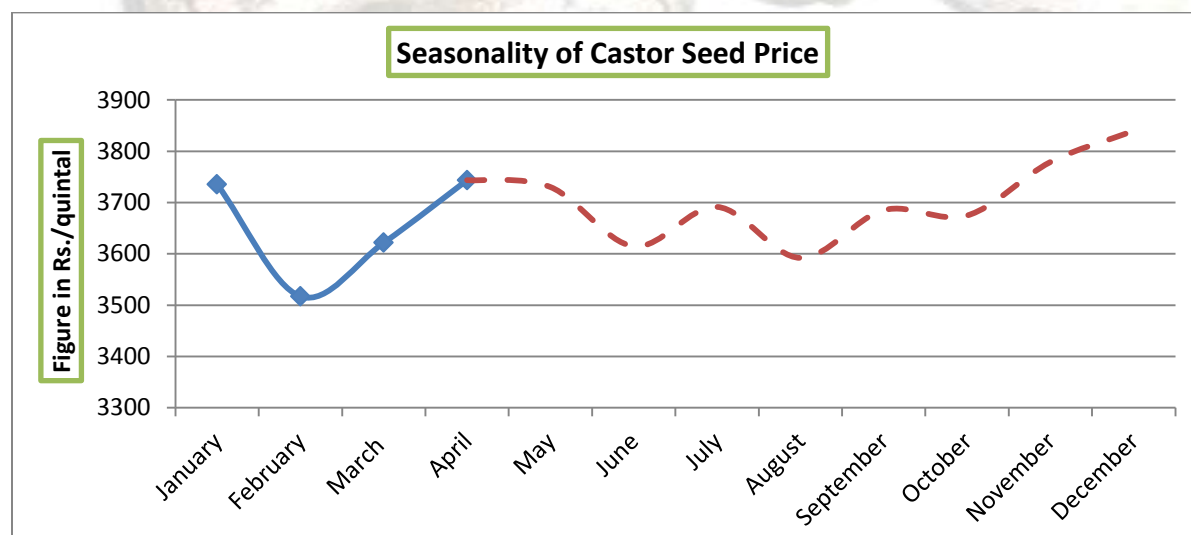
Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3923/quintal which is down from last week price of Rs.4073/quintal and up by 15.10% from same period last year price of Rs.3408/quintal.
- Castor seed prices fell 1.30 per cent to Rs 4,020 per quintal in futures trade recently as participants liquidated positions in tune with a weak trend at the physical market. Fall in castor seed prices was mostly attributed to offloading of positions by speculators due to a weak trend at the spot markets due to withdrawal of support from consuming industries.
- According to the Solvent Extractors' Association of India (SEA), Castor seed production in 2016/17 is expected to stand down by around 25% to 10.55 lakh tons compared to 14 lakh tons in previous year. While, castor seed production for 2016/17 is placed down at 15.54 lakh tons against previous year record i.e. 17.52 lakh tons as per the second advance estimates by the ministry of agriculture department.
- As per the data from Agriculture Ministry, castor acreage in Gujarat increase by 5.67% till Oct-13, 2017 to 5.96 lakh hectares as compared to 5.64 lakh hectares last year while Rajasthan recorded a down of 6.98% in area to 1.6 lakh hectares in the same time frame. Overall area is slightly down from last year which may not affect the production much but late sowing in major growing states (Gujarat and Rajasthan) could affect the final yield to some extent.
- Castor weekly cast market is traded weak in 03rd Week of January-2018 with lower arrival, all India castor seed arrival is 23174 quintals which is 7511 quintals lower than last week arrival of 30684 quintals.

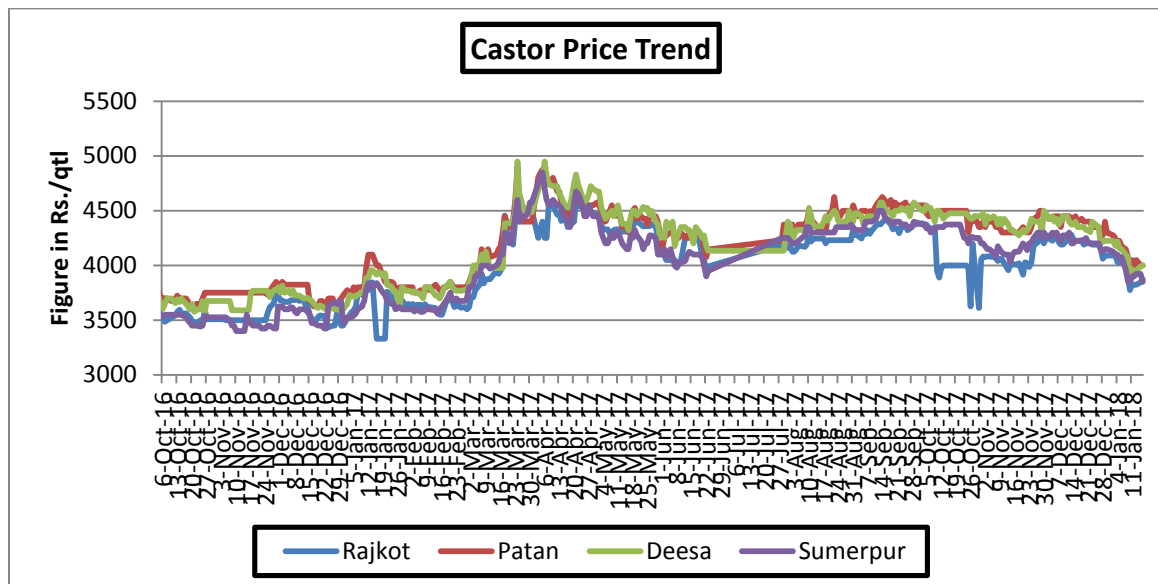
Castor Seed Sowing Updates as on 13th October September-2017 (in Lakh Hectare):

State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
Total	8.45	8.59	-1.63	11.84

Stake holders in cash market may opt for buying seed around Rs. 3900-3950 for profit purpose.

Seasonality of Castor Seed Price


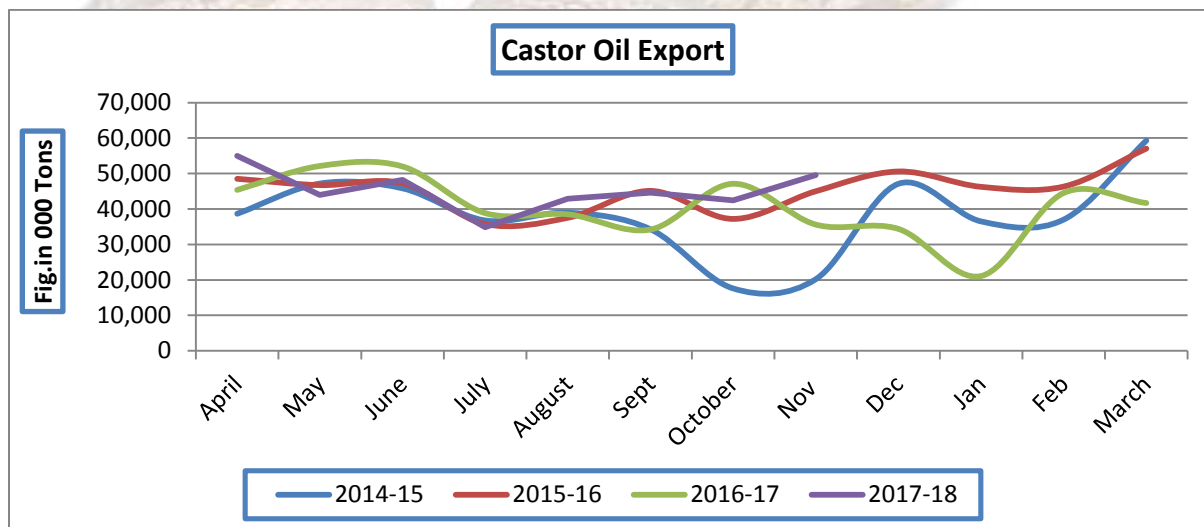
Castor Price Trend:



Source: Agriwatch

Indian castor seed market was in steady to weak trend during the period from Oct 2017 to Jan 2018, now prices are expected to trade steady in the arrival season.

Castor Oil Export Trend:

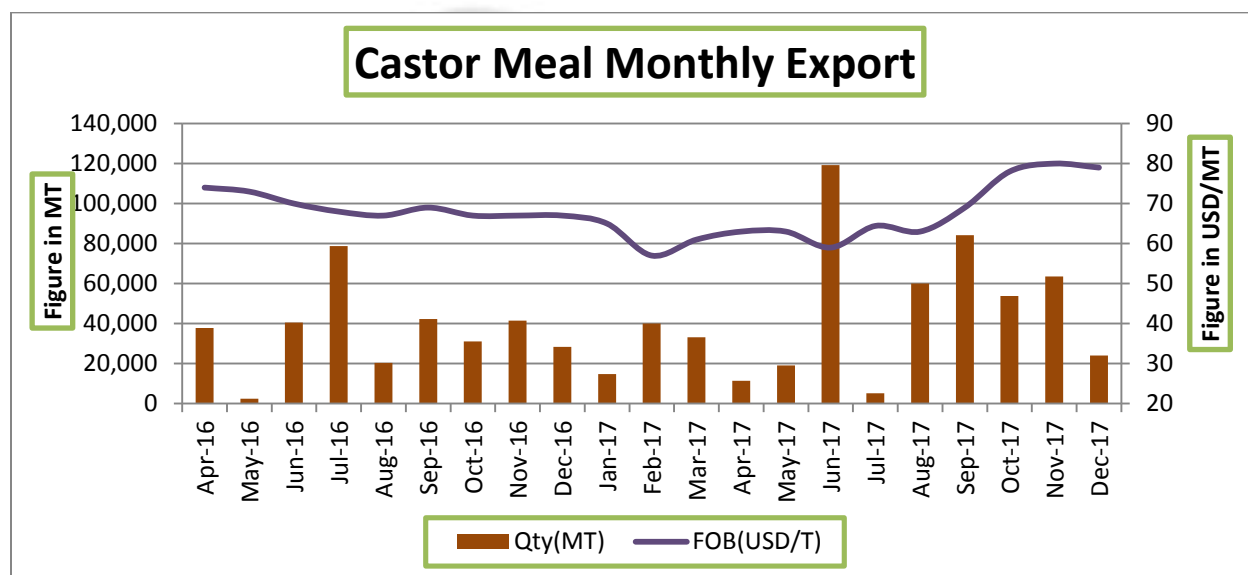


Source: Sea Of India

As per latest data released by SEA of India, Castor oil export in the month of November was 49574 thousand tons which is up by 17% from last month export of 42457 thousand tons and 39% up from corresponding period last year export of 35608 thousand tons. Higher demand from the international market due to lower prices of castor seed in domestic market led to higher exports. Meanwhile, in the first two month of FY2017-18, total castor oil exported was around 1 lakh tons, which is up by 2% Y/Y on higher consumption demand from US, Netherland, Russia and Japan

Castor Meal Export:

During April – Dec., 2017 oil meal imported by Vietnam from India reported at 331,654 tons compared to 209,476 tons; consisting of 23,157 tons of soybean meal, 54,922 tons of rapeseed meal and 253,575 tons of De-oiled Rice Bran Extraction. South Korea imported 597,252 tons compared to 460,764 tons; consisting 209,890 tons of rapeseed meal, 362,147 tons of castor meal and 25,215 tons of soybean meal. Bangladesh imported 120,675 tons compared to 132,588 tons; consisting 26,037 tons of rapeseed meal, 5,857 tons of De-oiled Rice Bran Extractions and 88,781 tons of soybean meal. Thailand imported 134,612 tons compared to 9,201 tons; consisting 96,358 tons of rapeseed meal, 9,454 tons of De-oiled Rice Bran Extractions and 28,765 tons of soybean meal. European countries were the major importer of Indian Soybean Meal. France imported 100,375 tons compared to 90,208 tons; consisting 95,710 tons of soybean meal and 4,665 tons of Castor meal and rest of European countries imported 329,340 tons of oil meals, mainly soybean meal.



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 03rd week January, 2018

State	Prices 16-23 Jan 2018	Prices 09-15 Jan 2018	Prices 16-23 Jan 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4100	4350	4350	-5.75	-5.75
Assam	3241.86	3286.51	3333.77	-1.36	-2.76
Jharkhand	2733.33	2733.33	2733.77	0	-0.02
Karnataka	3588.39	3588.39	3777.5	0	-5.01
Kerala	3771.22	3784.24	3784.24	-0.34	-0.34
Maharashtra	3984.91	3984.91	3984.91	0	0
Orissa	2491.21	2610.75	2610.75	-4.58	-4.58
Tripura	2955.39	3192.94	3192.94	-7.44	-7.44

Uttar Pradesh	2250.42	2250.42	2250.42	0	0
West Bengal	2749.01	2749.01	2749.01	0	0
Average	3186.57	3253.05	3035.32		

Source: Agmarket.net (Prices in Rs./Qtl)

Cash Market Price Outlook for Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3900-4100	4100-4250
Medium Term (30 days)	3950-4300	4000-4440

Comparative Prices Of Castor Products Including Seed

	12th January'1 8	05th January'1 8	12th December' 17	12th January'1 7	CHAN GE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41350	42800	45450	39178	5.25
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	77.00	77.00	80	65.00	15.58
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4800	4800	5100	4292	10.58
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1370	1420	1485	1205	12.04
Local rates for oil in domestic market (Rs./M.T.) for comm.	87000	91500	95500	82408	5.28

Source: SEA.

Technical Analysis:

Castor – Technical Outlook

Technical Commentary:

- Prices are likely to move steady to weak in coming week.
- Decrease in prices with lower volume and OI indicates short build up.



Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Feb	3850	3900	4028	4439	4500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Sell	4259	4148	4100	4268

Castor Seed- Balance Sheet for 2017-18:

Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial ground level survey and feedback received from farmers. Agriwatch expects above normal rainfall this year and hopes normal yield too. Based on normal yield realization seed production would decline from 15.12 to 12.69 lakh tons this year.

The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third quarter.

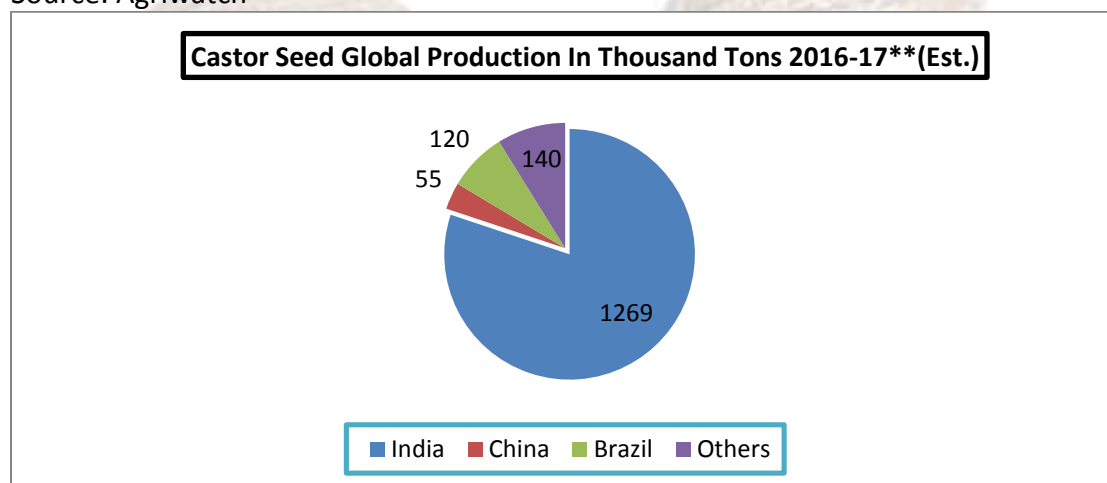
Castor Seed Supply & Demand for MY-2017-18:

Preliminary Forecast For 2017-18

All units in lakh tonss	2013-14	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	6.84	6.04	5.54	5.91	5.35	5.35	9.65	5	1.9
Production	11.7	13	15.12	12.94	10.5	10.5	0	0	0
Imports	0	0	0	0	0	0	0	0	0
Total Availability	18.54	19.04	20.66	18.85	15.85	15.85	9.65	5	1.9
Consumption	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Exports	0	0	0	0	0	0	0	0	0
Total Usage	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Carry out	6.04	5.54	5.91	5.35	0.35	9.65	5	1.9	0.35
Av Monthly Consumption	1.04	1.13	1.23	1.13	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	5.8	4.92	4.81	4.76	0.27	4.67	3.23	1.84	0.68
Stock to Consumption Ratio	0.483	0.41	0.4	0.4	0.02	1.56	1.08	0.61	0.23

Castor Seed Global Production share:

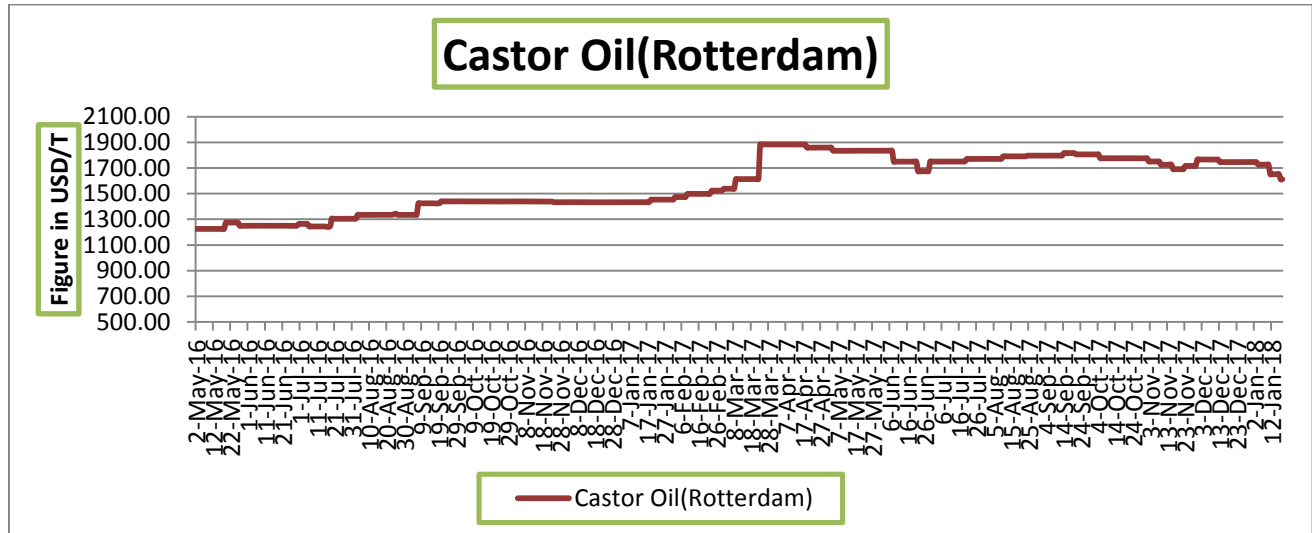
Source: Agriwatch



International market update:

There is no change in Global Castor Seed supply –demand side. Production is expected to decrease from 18.37 lakh tons to 15.84 lakh tons in 2016-17 due to lower crop size expected in India this year. Total availability for seed would decrease to 20 lakh tons including Indian carryout stock of 5.91 lakh tons. Normal demand for oil and decreasing seed stock in India would continue to push seed price up in India. India dominates global market in seed production with 90 percent contribution. The given diagram shows production contribution of

various countries. As production in India is likely to decrease, availability for seed would contract in the third quarter of the year.

Rotterdam Price:


Rajasthan	Jodhpur	3985	4117	-132
	Sumerpur	3880	3923	-43

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		19-Jan-18	12-Jan-18	19-Dec-17	19-Jan-17
Gujarat	Patan	3950	4000	4400	3900
	Harij	NR	NR	4325	3925
	Rajkot	3805	3820	4190	3330
	Gondal	3805	3730	4205	3880
	Deesa	3900	3930	4350	3900
	Bhabar	3940	4010	4350	3865
	Mehsana	3900	3975	4350	3850
	Kadi	3920	4015	4370	3975
	Sabarkatha	3925	3950	4375	3950
	Gandhi Nagar	3950	4000	4350	3925
	Ahmedabad (Sanand)	NA	NA	NA	NA
	Halvad	3925	3950	4300	3875
	Junagadh	NA	NA	NA	3440
	Dhrol	NA	NA	NA	3610
Rajasthan	Jodhpur	3990	4000	4380	3810
	Sumerpur	3850	3900	4230	3750

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	13th to 19th January 2018	06th to 12th January 2018	Change
Gujarat	Patan	6300	8625	-2325
	Harij	225	563	-338
	Rajkot	1380	1320	60
	Gondal	532	498	34
	Deesa	1890	1085	806
	Bhabar	2417	3652	-1235
	Mehsana	656	1485	-829
	Kadi	6288	8432	-2144
	Sabarkatha	236	415	-179
	Gandhi Nagar	488	938	-450
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	1234	983	251



	Junagadh	40	85	-45
	Dhrol	13	NA	-
Rajasthan	Jodhpur	675	525	150
	Sumerpur	800	2080	-1280
Total Arrivals/Above Markets		23174	30684	-7511

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